

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA	:	
	:	
v.	:	1:19CR324-1
	:	
MICHAEL KIRK SCHON	:	

FACTUAL BASIS

NOW COMES the United States of America, by and through Matthew G.T. Martin, the United States Attorney for the Middle District of North Carolina, and as a factual basis pursuant to Rule 11 of the Federal Rules of Criminal Procedure states the following:

In 2014, Michael Kirk Schon (“Schon”) was licensed as a surety bail bondsman by the North Carolina Department of Insurance and was employed by All American Bail Bonds, LLC, as a bail bondsman and director of operations. All American Bail Bonds, LLC, was a limited liability corporation organized under the laws of North Carolina and doing business writing and issuing bail bonds with an office and place of business in Randleman, Randolph County, North Carolina. Bankers Insurance Company was in the business of underwriting and serving as a surety for bail bonds with an office and place of business located in Saint Petersburg, Florida. Bankers Insurance Company

underwrote and served as surety on bail bonds issued by All American Bail Bonds, LLC, in the Middle District of North Carolina and elsewhere.

The Guilford County Board of Education is organized under the laws of the State of North Carolina for the purpose of overseeing and supervising the operations of public education in Guilford County, North Carolina. Pursuant to North Carolina law, the Guilford County Board of Education receives payment on forfeited bail bonds issued to secure the appearance of defendants charged with North Carolina state crimes in the District and Superior Courts in Guilford County, North Carolina.

An individual whose initials are F.S.L. was a resident of Guilford County, in the Middle District of North Carolina, and used the alias name “Renaildo Santiago Dominguez.” In 2012, local law enforcement authorities arrested F.S.L. in Guilford County, North Carolina, and charged him with the North Carolina state crimes of trafficking in cocaine, conspiracy to traffic in cocaine, felony possession of marijuana, and maintaining a dwelling for keeping controlled substances, all in the alias name “Renaildo Santiago Dominguez.” F.S.L., using the alias name “Renaildo Santiago Dominguez,” was held in the Guilford County Jail under conditions of release requiring F.S.L. to post a secured bail bond in the amount of \$250,000.00 in order to obtain pretrial release.

On October 8, 2013, Bankers Insurance Company, with All American Bail Bonds, LLC, as agent, issued and stood as surety for a \$250,000.00 secured bail bond to allow F.S.L., in the alias name “Renaildo Santiago Dominguez,” to be released from custody pending his appearance for trial in Superior Court in Guilford County, North Carolina. However, F.S.L. failed to appear on October 14, 2013, in Guilford County Superior Court and as a result the bail bond issued by Banker’s Insurance Company was declared forfeited on October 29, 2013.

On March 26, 2014, the Guilford County Board of Education and Banker’s Insurance Company, through Schon as its authorized agent, entered into a settlement agreement by which Banker’s Insurance Company agreed to pay the Guilford County Board of Education the amount of \$250,000.00 on the forfeited bond pursuant to the following schedule: \$80,000.00 due on March 28, 2014; \$30,000.00 due on June 30, 2014; \$30,000.00 due on September 30, 2014; and \$110,000.00 due on December 30, 2014. The settlement agreement between the Guilford County Board of Education and Banker’s Insurance Company provided that all scheduled payments would be waived if: first, F.S.L. died prior to the due date of any payment; and second, the Guilford County Board of Education was provided with a death certificate for F.S.L. Bankers Insurance Company made the first scheduled payment of \$80,000.00.

From on or about March 28, 2014, to on or about August 16, 2016, in the County of Guilford, in the Middle District of North Carolina, and elsewhere, Schon did devise and intend to devise a scheme and artifice to defraud the Guilford County Board of Education of approximately \$170,000.00 through material false pretenses, representations, and promises, by inducing, and attempting to induce, the Guilford County Board of Education to forgive and waive \$170,000.00 of payments due from Banker's Insurance Company on the forfeited bail bond issued to secure the appearance of F.S.L. by obtaining and procuring a forged and false death certificate purporting to show that F.S.L. had died in the Mexico in May of 2014 and providing this forged and false death certificate to the Guilford County Board of Education, for the purpose of falsely and fraudulently representing that F.S.L. had died in the Mexico in May of 2014, such scheme and artifice to defraud making use of the United States mail and interstate wire communications.

An individual whose initials are C.F. was employed by as a bail bondsman licensed by the North Carolina Department of Insurance and working under the direction of Schon. As part of the scheme and artifice to defraud, Schon instructed C.F. to obtain and procure a forged and false death certificate purporting to show that F.S.L. had died in Mexico in May of 2014 and provided C.F. with information on how to find an individual who resided in Wilson, Nash County, North Carolina, who could provide the forged and

false death certificate. Schon also provided C.F. with F.S.L.'s name, personal information, and place of residence in Mexico to provide to the person producing the forged and false death certificate. He further instructed C.F. to send the forged and false death certificate to him by express mail. C.F. procured and obtained the forged and false death certificate in the name of F.S.L. and mailed it to Schon pursuant to the instructions given him.

The false death certificate showed that F.S.L. had died on May 12, 2014 in Sinaloa, Mexico. However, F.S.L. was not dead and was alive. Schon scanned the forged and false death certificate in the name of F.S.L. and transmitted it by email communication to the attorneys representing the Guilford County Board of Education for the purpose of falsely inducing the Guilford County Board of Education to cancel and waive the remaining \$170,000 in payments due under the settlement agreement between the Guilford County Board of Education and Banker's Insurance Company. He also personally delivered the "original" of the forged and false death certificate to the attorneys representing the Guilford County Board of Education upon being informed by such attorneys that the further payments due under the settlement agreement would be waived and cancelled upon inspection of an original copy of the death certificate. Schon also falsely represented to Banker's Insurance Company that F.S.L. had in fact died.

Guilford County Board of Education, in reliance on the forged and false death certificate and the false representations of Schon that F.S.L had died, prepared and filed with the Clerk of Superior Court for Guilford County a satisfaction of judgment due to the purported death of F.S.L., such satisfaction of judgment cancelling \$170,000 in payments due under the settlement agreement from Banker's Insurance Company. The attorney for the Guilford County Board of Education mailed a copy of the satisfaction of the judgement from Greensboro, North Carolina, by United States Mail to Banker's Insurance Company, at Post Office Box 15707, Saint Petersburg, Florida. Such mailing was knowingly caused by the false representations made by Schon with the intention of causing the Guilford County Board of Education to waive all further payments due under the forfeited bond.

This, the 5th day of August, 2019.

Respectfully submitted,

MATTHEW G.T. MARTIN
UNITED STATES ATTORNEY

/S/ FRANK J. CHUT, JR.
Assistant United States Attorney
North Carolina State Bar No. 17696
United States Attorney's Office
Middle District of North Carolina
101 S. Edgeworth Street, 4th Floor
Greensboro, North Carolina 27401
Phone: (336) 333-5351

UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA

UNITED STATES OF AMERICA	:	
	:	
v.	:	1:19CR324-1
	:	
MICHAEL KIRK SCHON	:	

CERTIFICATE OF SERVICE

I hereby certify that on August 5, 2019, the foregoing was electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the following:

Bruce A. Lee, Esq.

Respectfully submitted,

/S/ FRANK J. CHUT, JR.
Assistant United States Attorney
North Carolina State Bar No. 17696
United States Attorney's Office
Middle District of North Carolina
101 S. Edgeworth Street, 4th Floor
Greensboro, North Carolina 27401
Phone: (336) 333-5351